

Trust Land Management		Agency/Program #: 5706-35-G1
		Division: Trust Land
		Program:
Agency Name:	Department of Natural Resources and Conservation	
Agency Contact:	Tom Schultz	444-4978
LFC Contact:	Representative Ripley, Representative Erickson	
LFD Liaison:	Barbara Smith	444-5347
OBPP Liaison:	Eileen Rose	444-1338

Program or Project Description:

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Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of October 31, 2007
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

Goal(s):

Maximize annual gross revenues for the trust beneficiaries from existing trust land management activities, including agriculture and grazing management, mineral development, forest management, and real estate management, while also implementing new and alternative methods of revenue generation from land management.

Performance Measures :

- 1) Land Banking
 - Process and sell 20,000 acres of trust land (avg. ROR < 1%) over the next biennium to generate \$15 million for the Land Bank Fund.
 - Acquire a minimum of 15,000 acres of legally accessible lands with the funds from the land sales. The annual rate of return (ROR) on the lands acquired will average approximately 1.6 % or greater.
- 2) Leasing of Navigable Rivers
 - The Trust Land Management Division will issue a minimum of 8 new hydroelectric leases.
- 3) Timber Salvage
 - FY2008 – Salvage 25 mmbf of timber from the forested lands that are beetle-infested or were burned in 2007.
- 4) Contract Harvesting
 - FY 2009 – Harvest an additional 1 mmbf of timber utilizing contract harvesting authorities, which is projected to generate an additional \$45,000 in net revenues when compared to existing timber sales.

2009 Biennium Significant Milestones:		Completion Dates	
		Target	Actual
1			
2			
3			
4			
5			

Performance Report:

See attached report from OBPP

LFD Narrative:**EXECUTIVE CHANGES:**

- Changes to goals/initiatives: Yes, the target of \$60 million in revenues was replaced with "reasonable".
- Change to performance measures: Yes, all of the measures were removed.

LFD ASSESSMENT:

- Goal is measureable within the biennium: No. The trust land division will raise revenue for the trusts, but the amount which is "reasonable" is undeterminable.
- Progress towards Goal: **Critical**. An update was not provided. The type of information required to meet the originally established goals is available on a routine basis.

APPROPRIATION ISSUES:

- Appropriation/Expenditures provided: No
- Other appropriation issues: Yes.

OPTIONS:

The legislature may wish to request the status report correspond with the agreed upon measures.

The executive added a milestone to provide "10% of the state's share of funding for K-12 education in FY08/FY09", which is actually a goal. To achieve this goal the agency would have to raise net revenues of approximately \$73.8 million in FY08 and \$73.9million in FY09.

The legislature may wish to replace the stated goal with this goal.



Version	Date	Author
5706-35-G1-CC-1	12/6/07	Smith

Change Description
Add LFD Narrative



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Goals/Objectives

Agency Contact: Tom Schultz | **Phone Number:** 444-4978 |
Agency Name: Dept. of Natural Resources & Conservation |
Division: Trust Land Management |
Program (identify and briefly describe): Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-capacity generating capacity of the land. |

List a single goal and brief description:

Generate reasonable revenues for the trust beneficiaries from existing trust land management activities, including agriculture and grazing management, mineral development, forest management, and real estate management, while also implementing new and alternative methods of revenue generation from land management. |

Describe the performance measures related to this goal:

- Land Banking
 - Process and sell acreage of trust land (avg. ROR < 1%) over the next biennium to generate maximum amount for the Land Bank Fund.
 - Acquire a minimum of acreage of legally accessible lands with the funds from the land sales. The annual rate of return (ROR) on the lands acquired will average approximately 1.6 % or greater.
- Leasing of Navigable Rivers
 - The Trust Land Management Division will issue new hydroelectric leases.
- Timber Salvage
 - FY2008 – Salvage timber from the forested lands that are beetle-infested or were burned in 2007.
- Contract Harvesting
 - FY 2009 – Harvest an additional 1 mmbf of timber utilizing contract harvesting authorities, which is projected to generate additional net revenues when compared to existing timber sales. |

List significant milestones and target dates to be completed in the 2009 Biennium:

“Revenues generated from the management of Montana’s school trust lands will fund approximately 10 percent of the state’s share of funding for K-12 education in FY08/FY009.” |

Describe the current status of the measurements related to the goal:

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